

OGC HAS REVIEWED

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SECURITY INFORMATION

511 D -
Contracts
(by date)

Chief, Contract Branch

30 October 1951

Office of General Counsel

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1. Reference is made to your memorandum of 30 October 1951 on the above subject.

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2. If the contract is terminated for default and the replacement contract is executed prior to final settlement with [redacted] it appears that there will be an adequate basis for using the remaining funds of the old contract for performance of the new contract. This is similar to the situation where a fixed price contract is terminated for default and purchase is made against the account of the contractor. In that case, it is settled that the balance of the old funds may be used under the new contract. The fact that the [redacted] contract is on a cost-plus basis does not seem to require any different result.

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3. This memorandum is being forwarded via the Comptroller for his concurrence.

[redacted]

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OGC/RGH:imm

Distribution:

Orig - Addressee

1 - Comptroller

4 - OGC ✓

2 - Signer

(Subject)

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